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From: Zamler, Mary Lou [mailto:Zamler.MaryLou@principal.com] **On Behalf Of** Jordan, Bill
Sent: Wednesday, December 24, 2008 10:35 AM
To: Flemmer, Dick; Volk, Kathie (DOL)
Subject: Response to Bernard Madoff

As media coverage continues about the securities fraud allegedly committed by Bernard Madoff, you may be wondering about the exposure the Principal Financial Group® has to Bernard L. Madoff Investment Securities LLC.

As of November 30, 2008, The Principal® does not have direct exposure to Bernard Madoff or his company in its general account or in the Principal Funds, Inc mutual funds and sub-advised separate accounts.

There is also no direct exposure to Madoff in the portfolios that Principal Global Investors manages on behalf of its clients.

We are working diligently to determine if The Principal has any indirect exposure. We will provide an update if there is anything significant to report.